

U.S. ATTITUDES TOWARD HEALTH INSURANCE AND HEALTHCARE REFORM

A report by Valence Health
August 2015



U.S. ATTITUDES TOWARD HEALTH INSURANCE AND HEALTHCARE REFORM

Executive Summary

With the Affordable Care Act (ACA) now in year two, and reconfirmed to some extent by the U.S. Supreme Court, almost 12 million Americans have purchased plans through health exchanges or “marketplaces.” With the largest reduction in the uninsured in forty years, healthcare coverage is now considered available for the first time for millions of Americans.

This report reveals what 524 randomly selected consumers across the nation value most about health insurance, their thoughts on obtaining insurance from non-traditional sources, and their perceptions of health reform. Initially administered in August 2013, this study was conducted again in June 2015 to make note of any significant changes.

Some noteworthy findings include:

1. While there was a huge drop on the number of consumers who received their primary health insurance through their employer, most consumers still want to obtain their health insurance from their employers
2. When choosing health insurance, Americans value coverage benefits (major medical, prescription and routine preventative care) and cost the most
3. While there’s an interest in purchasing insurance through a local hospital or health system, Americans need to be better educated on what coordinated care means and its impact on cost and quality
4. Although more affordable insurance options are available with the ACA, there is still a significant amount of people who avoid recommended healthcare or prescriptions due to cost
5. Americans are paying less out of pocket for healthcare services, which is a contrast to what industry reports are stating
6. More education and differentiation is needed on Medicare Advantage plans

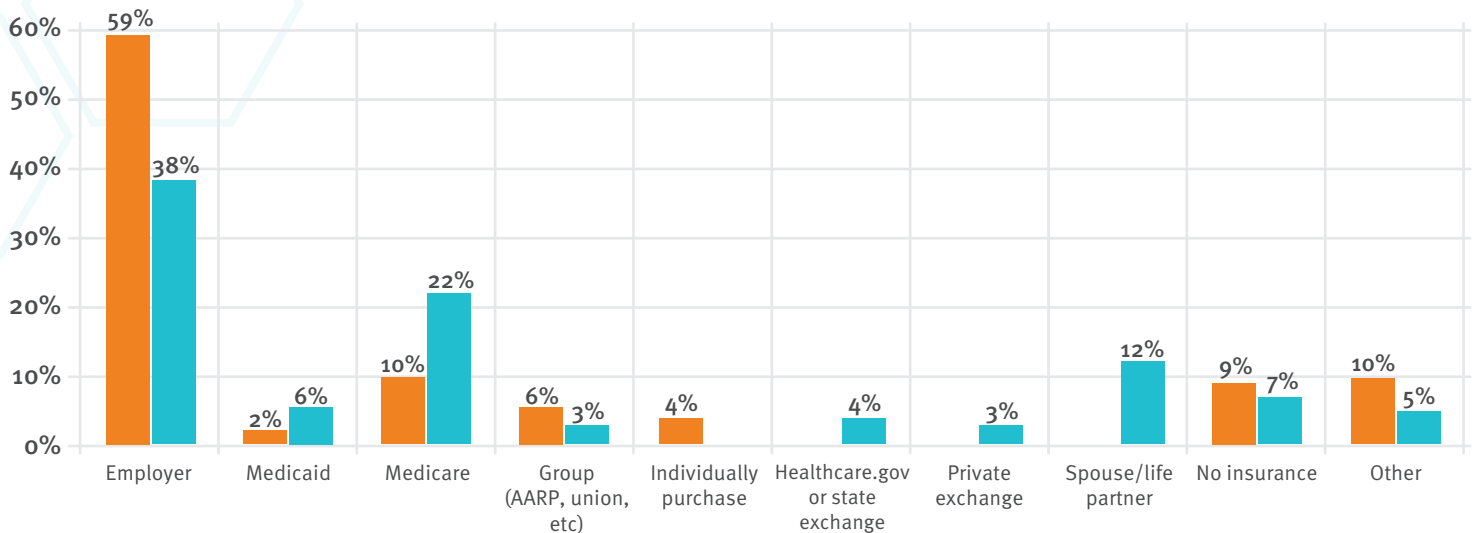
Current Perceptions of Health Insurance

While 38% of respondents receive their insurance through their employer, this is a noticeable drop from 59%, when the survey was initially conducted in 2013. Those very satisfied or somewhat satisfied with their current health insurer were very similar for 2013 and 2015. Respondent's overall satisfaction with their payor, regardless of the source, remained consistent as well between 2013 (79%) and 2015 (73%).

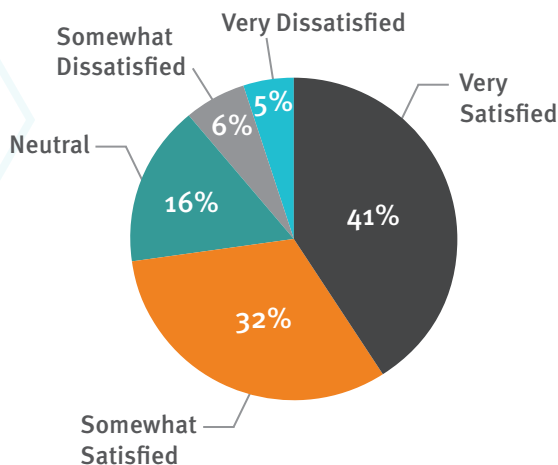
According to the Kaiser Family Foundation, 31% of the total Medicare population in the United States is enrolled in Medicare Advantage (MA). This aligns with our results as noted below. Interestingly, 9% of respondents didn't know which Medicare health plan they are using – traditional Medicare or MA. This may suggest MA plans aren't differentiating themselves enough for consumers to understand the nuances in order for them to want to make a change.

How do you currently receive your primary health insurance?

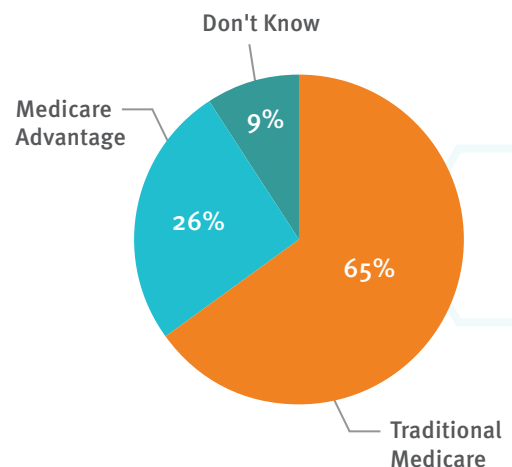
2013 2015



How satisfied are you with your current health insurer?



If you have Medicare, do you have traditional Medicare Or Medicare Advantage insurance?





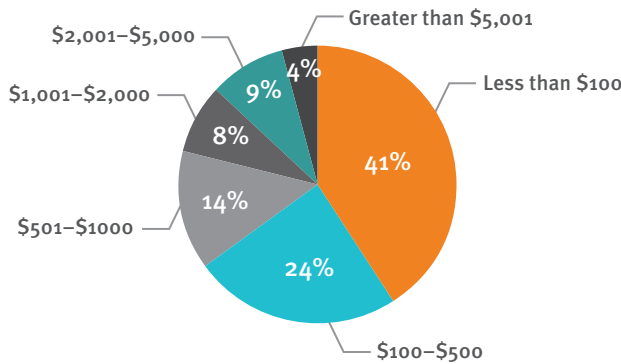
Current Perceptions of Health Insurance (continued)

According to the survey data, within the past year, 1 in 5 Americans have paid more than \$1,000 out of their own pocket for healthcare services their plan did not cover.

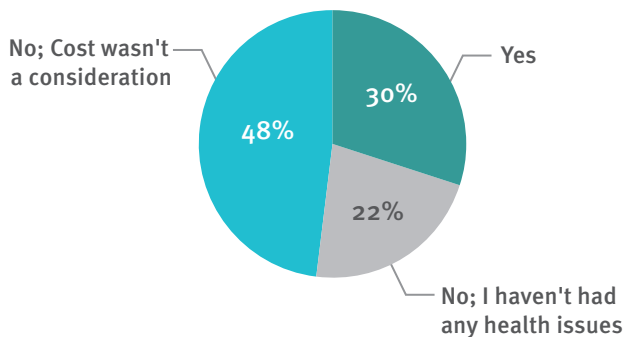
Close to a third (30%) have knowingly delayed or avoided recommended healthcare or prescriptions due to cost. This is a disheartening figure, especially with all of the more affordable insurance options made available through the ACA.

Forty seven percent of those surveyed reported their insurance plan requires them to select a primary care physician (PCP). This finding illustrates how insurers are striving to be advocates of care by encouraging patients to have a relationship with a provider, which will hopefully lead to better and more coordinated, consistent care.

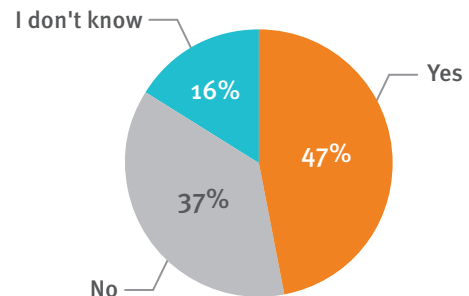
In the last 12 months, how much have you paid directly for healthcare services your health plan did not cover?



In the last 12 months, have you avoided recommended healthcare or prescriptions due to costs?



Does your health insurance plan require you to select a primary care physician?

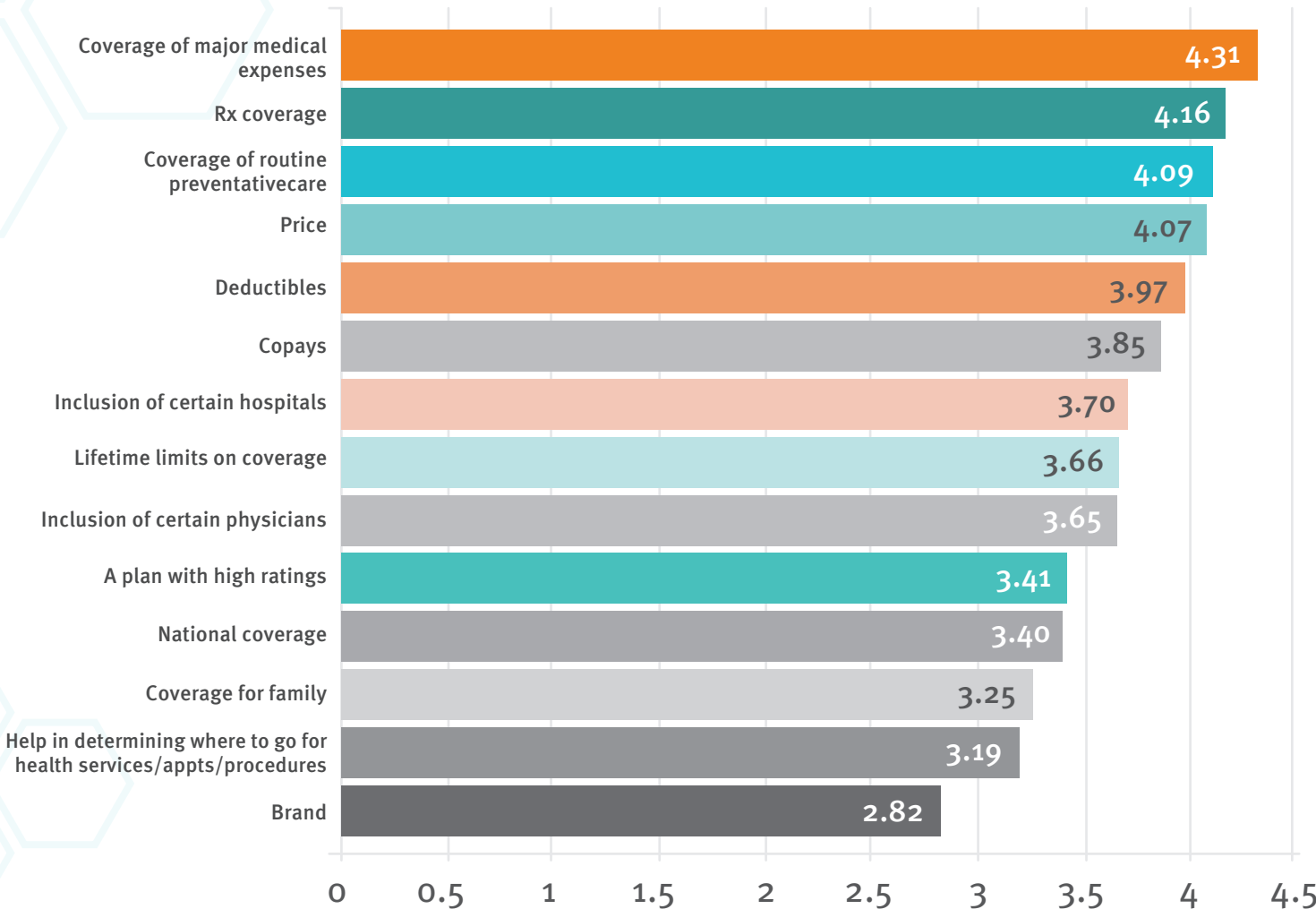




Choosing Health Insurance

When choosing health insurance, Americans value coverage benefits (major medical, prescription and routine preventative care) and cost the most. Brand has the lowest influence when selecting health insurance.

Q. What are the most important aspects when selecting insurance health insurance? (Rate each from 1-5, with 1 being not at all important and 5 being extremely important)



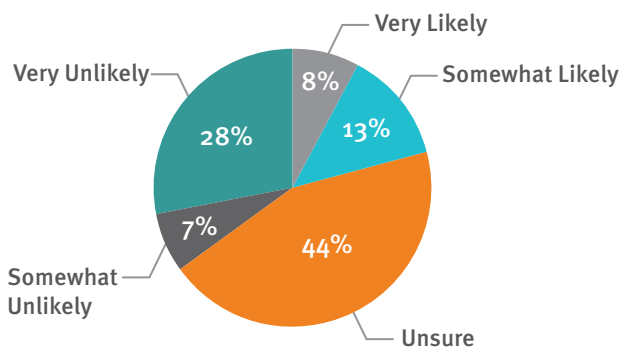
Provider-Sponsored Health Plans

As indicated by the survey data, today’s consumers are considering non-traditional forms of health insurance. For example, a provider-sponsored health plan (PSHP) is an organization of individual practitioners, ancillary service providers and/or hospitals that come together to design and run their own health plan. As a result, the providers who are part of PSHPs are responsible for all aspects of costs, quality, benefit design and other activities associated with providing health insurance to their members. The more than 120 PSHPs currently operating in the U.S. have shown that their plans have some distinct advantages over other types of health plans, including more effective and efficient population health management and more freedom in financial decisions.

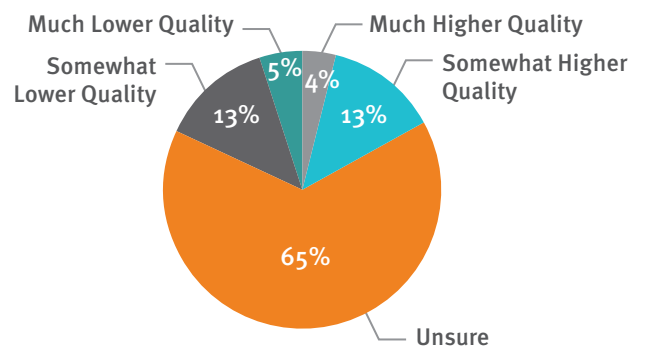
That said, 21% of respondents said they were very or somewhat likely to purchase a health insurance plan through their local hospital or health system, or PSHP.

When asked if a provider-sponsored health plan would provide higher quality care, the majority of respondents (65%) answered they were “unsure.” And when asked if receiving all healthcare services and insurance through a single plan would mean more coordinated care, 44% reported “I don’t know.” So while healthcare professionals are acutely aware how PSHPs can affect cost and quality, it appears more education about coordinated care is needed among consumers.

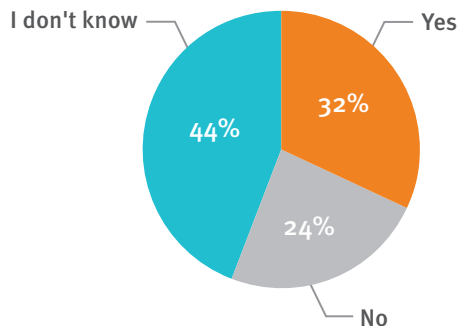
If your local hospital/health system offered a provider-sponsored health plan that was very similar to what was offered by a traditional insurer, how likely would you be to switch to that plan?



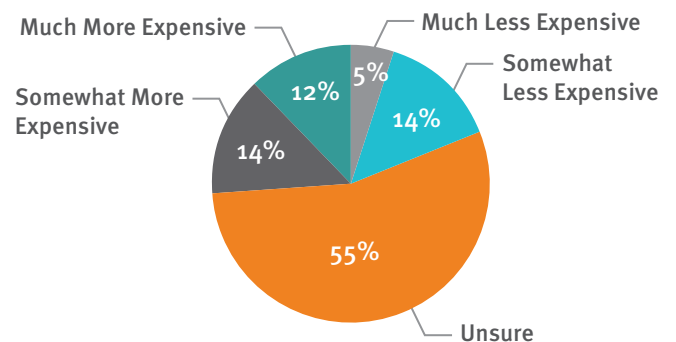
Do you think a provider-sponsored health plan would be higher or lower quality than your current plan?



Do you think getting all of your healthcare services AND insurance through a provider-sponsored health plan would mean better coordinated care?



Do you think a provider-sponsored health plan would be less or more expensive than your current plan?



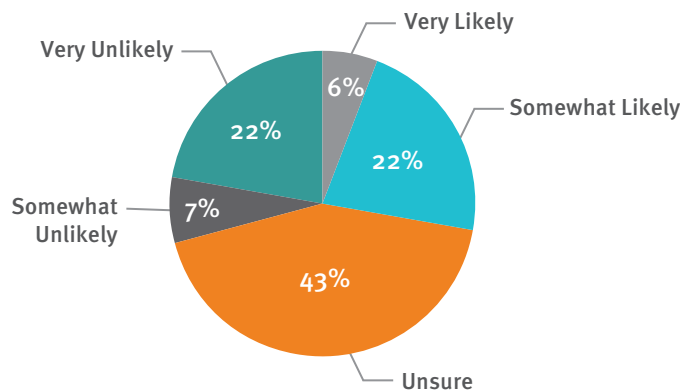
Other Insurance Options

In addition to the new health insurance exchanges, 25 states have created new health insurance companies that function more like clubs for the benefit of their members, rather than for-profit corporations. These new plans, referred to as Consumer Operated and Oriented Plans (Co-Ops), have no profit motive and their focus is solely the health of their members. There are currently 22 Co-Ops in place across the United States.

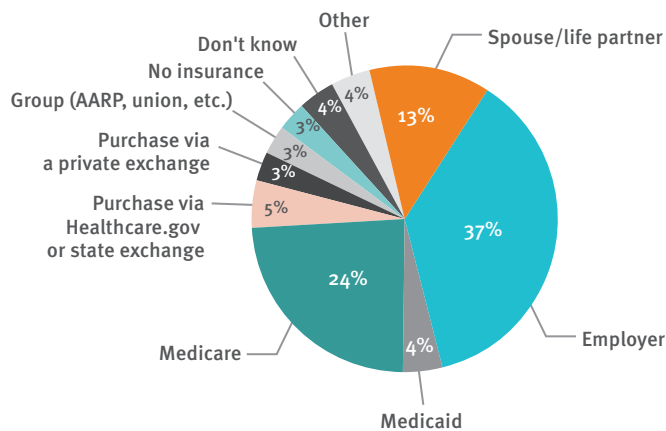
Over a quarter of respondents (28%) said they were very likely or somewhat likely to consider switching from their current method of acquiring insurance to acquiring insurance from a Co-Op. This could indicate a shift away from large, commercial insurance companies, as consumers become more open and ready to try smaller, local payers, because they perceive it to be more cost-effective, convenient and may lead to better overall patient outcomes.

When asked where they would purchase their primary health insurance in 2016, results are very similar to what was reported this year (see page 2). There was a 50%-plus drop (7% to 3%), however, in the percentage of people who believe they won't have insurance coverage. That means 97% of respondents believe they will have secured some form of health insurance in 2016, which can likely be attributed to the variety of affordable options now available in the market.

How likely would you be to switch to a comparable health plan offered by a Co-Op as opposed to a traditional health plan?



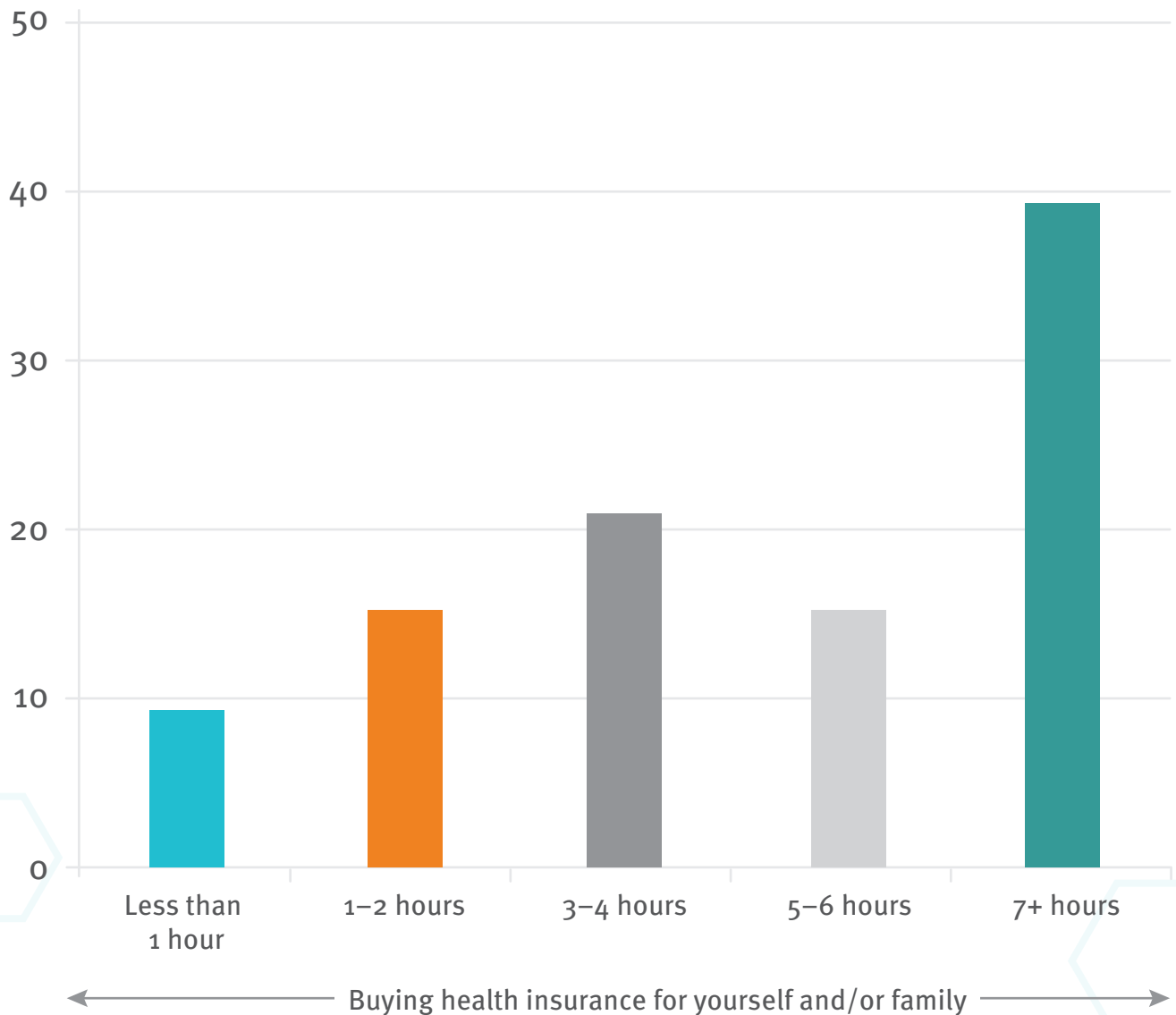
Thinking about next year (2016), from where are you most likely to obtain your primary healthcare insurance:





Purchasing Decisions

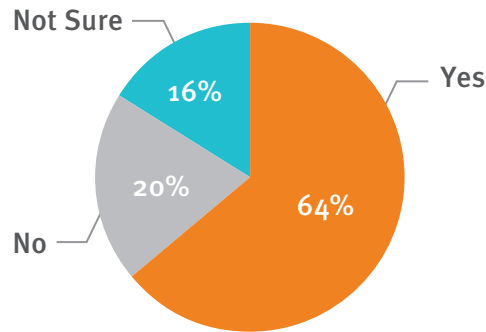
When asked how much time individuals spend before purchasing health insurance for themselves or their families, 55% claimed to devote five hours or more. According to the survey, almost a quarter (24%) of respondents dedicates two hours or less before purchasing health insurance.



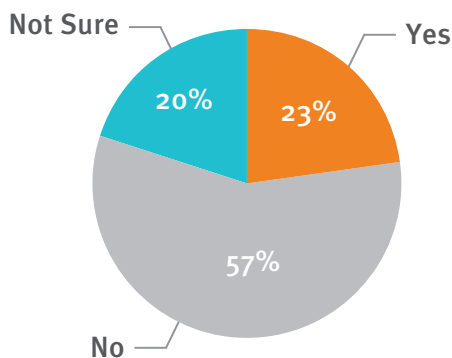
Incentives

While 64% are in favor of financial rewards for healthier patients, only 23% were in favor of penalties for failing to reach health goals. So while consumers want rewards for good behavior, they frown upon penalties for bad behavior.

Do you think patients should be rewarded financially/pay less in premiums if they reach certain health goals (lowering cholesterol, weight loss, quit smoking, etc.)?



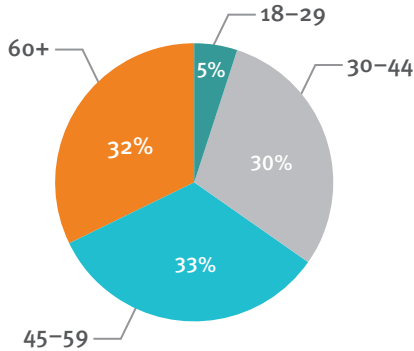
Do you think patients should be penalized financially/pay more in premiums if they fail to reach certain health goals or use more services?



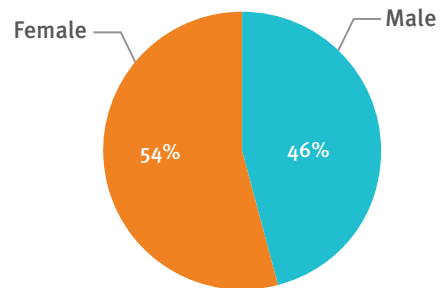
Data Set Summary

This study, initially administered in August 2013, was conducted again in June 2015 to make note of any significant changes. Responses for the study were collected online from a panel of consumers recruited by Survey Monkey. The data set totals 524 randomly selected consumers across the nation, aged 25 and older. Respondent demographics are noted below.

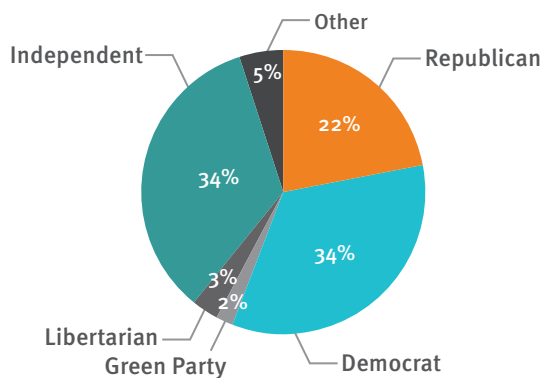
AGE



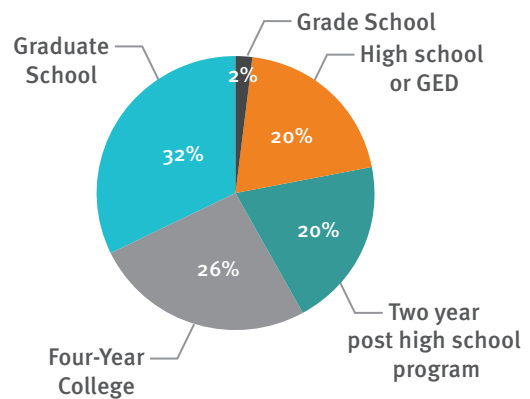
GENDER



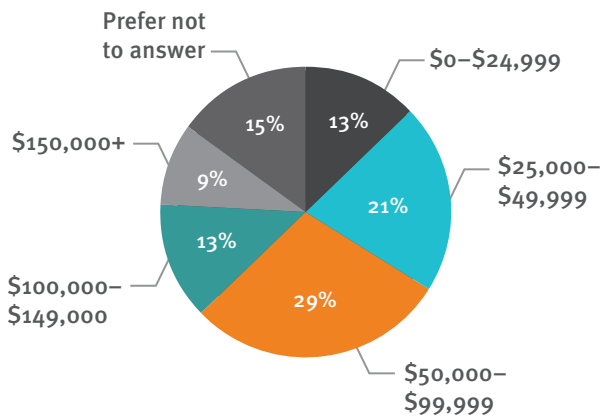
POLITICAL PARTY



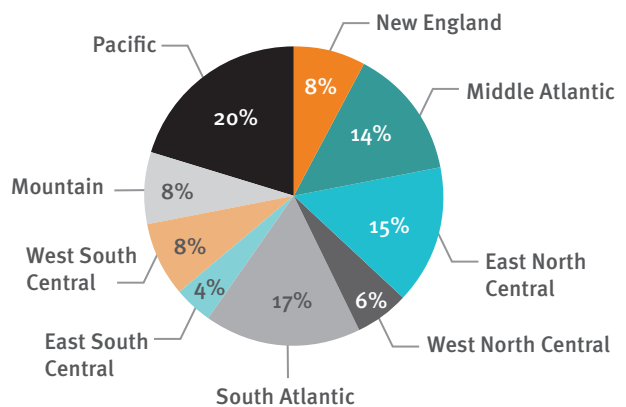
EDUCATION



INCOME



LOCATION



ABOUT VALENCE HEALTH:

Valence Health provides value-based care solutions that help hospitals, health systems and physicians more effectively manage patient populations to help them achieve clinical and financial rewards. Our integrated set of advisory services, population health technology and managed services support more than 85,000 physicians and 135 hospitals as they advance the health of 20 million patients.

Visit: www.ValenceHealth.com

Call: **888.847.0250**

Email: information@valencehealth.com



Connect with Valence Health on LinkedIn
[LinkedIn.com/company/Valence-Health](https://www.linkedin.com/company/Valence-Health)



Connect with Valence Health on Twitter
[Twitter.com/ValenceHealth](https://twitter.com/ValenceHealth)